

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2559 – SB 2539

February 12, 2010

SUMMARY OF BILL: Creates “Class V” driver license, to be known as the veteran’s driver license. A Class V license shall be issued only to members and former members of the armed forces of the United States. For Class V and renewal thereof, no fee or charge of any type whatsoever shall be charged. Any person applying for a special endorsement shall pay an additional two dollars for each endorsement.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$1,997,400/Recurring

Increase State Expenditures - \$81,200/One-Time

Assumptions:

- According to the Department of Safety (DOS), there are currently 512,156 veterans in Tennessee.
- The number of veterans in the state will remain constant each year.
- Driver licenses are on a five year renewal cycle. The cost of renewal is \$19.50.
- Each year there will be approximately 102,431 (20% x 512,156) veterans renewing their licenses.
- Based on information provided by DOS, the total decrease in recurring state revenue resulting from a decrease in license renewal revenue will be approximately \$1,997,405 each year (102,431 x \$19.50).
- According to DOS, 20 driver license system programs will require 20 hours of program changes at a cost of \$78 per hour for a one-time cost of \$31,200 (20 x 20 x \$78). A change in the driver license/identification format will be required at a one-time cost of \$50,000. Total one-time costs will be \$81,200.

- The Governor's proposed budget for FY10-11 includes a proposal to increase the cost of a driver's license to \$46 renewed on an eight-year cycle. This note is based on current law and does not assume enactment of this proposal.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/jaw